

## BASIS OF PRESENTATION

The accompanying unaudited interim consolidated condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. For further information, the reader should refer to the Annual Report of Crazy Woman Creek Bancorp Incorporated (the "Company") for the fiscal years ended September 30, 2018 and 2017.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. The results of operations for the three and six months ended March 31, 2019 are not necessarily indicative of the results, which may be expected for an entire year or any other period.

The accompanying consolidated financial statements include the accounts of the Company and Buffalo Federal Savings Bank (the "Bank"), a wholly-owned subsidiary of the Company. All significant intercompany balances and transactions have been eliminated in consolidation.

## FORWARD LOOKING STATEMENTS

The Company may from time to time make written or oral "forward-looking statements", including statements contained in the Company's filings with the Office of Thrift Supervision (including this Quarterly Report and the exhibits thereto), in its reports to stockholders and in other communications by the Company, which are made in good faith by the Company pursuant to the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements involve risks and uncertainties, such as statements of the Company's plans, objectives, expectations, estimates and intentions, that are subject to changes based on various important factors (some of which are beyond the Company's control). The following factors, among others, could cause the Company's financial performance to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements: the strength of the United States economy in general and the strength of the local economy in which the Company conducts operations; the effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the board of governors of the federal reserve system, inflation, interest rates, market and monetary fluctuations; the timely development of and acceptance of new products and services of the Company and the perceived overall value of these products and services by users, including the features, pricing and quality compared to competitors' products and services; the willingness of users to substitute competitors' products and services for the Company's products and services; the success of the Company in gaining regulatory approval of its products and services, when required; the impact of changes in financial services' laws and regulations (including laws concerning taxes, banking, securities and insurance); technological changes; acquisitions; changes in consumer spending and saving habits; and the success of the Company at managing the risks resulting from these factors.

The Company cautions that the listed factors are not exclusive. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company.

**(UNAUDITED)**  
**CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY**  
Consolidated Balance Sheets  
(Dollars in thousands except share and per share data)

	<u>March 31,</u> <u>2019</u>	<u>September 30,</u> <u>2018</u>
<b>ASSETS</b>		
Cash and due from banks	\$ 591	\$ 988
Federal funds	9,353	5,007
Interest-bearing due from banks	<u>2,210</u>	<u>2,460</u>
Cash and cash equivalents	12,154	8,455
Investment and mortgage-backed securities available-for-sale	23,449	21,465
Stock in Federal Reserve Bank of Kansas City, at cost	196	196
Stock in Federal Home Loan Bank of Seattle, at cost	460	449
Loans held-for-sale	639	1,236
Loans receivable, net	83,849	78,619
Bank-owned life insurance	1,695	1,674
Accrued interest receivable	675	674
Premises and equipment, net	3,562	3,579
Income tax receivable	17	-
Deferred income tax	254	369
Goodwill	132	132
Other assets	<u>138</u>	<u>379</u>
Total assets	<u>\$ 127,220</u>	<u>\$ 117,227</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
	<u>2019</u>	<u>2018</u>
Liabilities:		
Deposits	\$ 105,711	\$ 96,198
Advances from Federal Home Loan Bank	7,868	7,890
Advance payments by borrowers for taxes and insurance	53	95
Income taxes payable	-	53
Accrued expenses and other liabilities	<u>207</u>	<u>332</u>
Total liabilities	<u>113,839</u>	<u>104,568</u>
Stockholders' equity:		
Common stock, par value \$.10 per share, 5,000,000 shares authorized; 1,058,000 issued, 624,625 and 624,625 outstanding at March 31, 2019 and September 30, 2018, respectively.	106	106
Additional paid-in capital	10,303	10,303
Retained earnings	10,187	9,932
Accumulated other comprehensive income (loss), net	(129)	(596)
Treasury stock at cost, 433,375 and 433,375 shares at March 31, 2019 and September 30, 2018, respectively	<u>(7,086)</u>	<u>(7,086)</u>
Total stockholders' equity	<u>13,381</u>	<u>12,659</u>
Total liabilities and stockholders' equity	<u>\$ 127,220</u>	<u>\$ 117,227</u>

**(UNAUDITED)**  
**CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY**

Consolidated Statements of Stockholders' Equity and Comprehensive Income  
(Dollars in thousands except share and per share data)

	Three Months ended		Six Months ended	
	March 31		March 31	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>INTEREST INCOME:</b>				
Loans receivable	\$ 1,154	\$ 1,054	\$ 2,265	\$ 2,107
Mortgage-backed securities	1	2	3	4
Investment securities	144	124	285	243
Other interest-earning assets	<u>66</u>	<u>16</u>	<u>127</u>	<u>34</u>
Total interest income	<u>1,365</u>	<u>1,196</u>	<u>2,680</u>	<u>2,388</u>
<b>INTEREST EXPENSE:</b>				
Deposits	189	88	355	164
Advances from Federal Home Loan Bank	<u>54</u>	<u>28</u>	<u>110</u>	<u>47</u>
Total interest expense	<u>243</u>	<u>116</u>	<u>465</u>	<u>211</u>
Net interest income	1,122	1,080	2,215	2,177
Provision for loan losses	<u>30</u>	<u>-</u>	<u>30</u>	<u>20</u>
Net interest income after provision for loan losses	<u>1,092</u>	<u>1,080</u>	<u>2,185</u>	<u>2,157</u>
<b>NON-INTEREST INCOME:</b>				
Customer service charges	36	41	81	89
Gain on sale of loans	76	111	224	332
Other operating income	<u>110</u>	<u>116</u>	<u>250</u>	<u>241</u>
Total non-interest income	<u>222</u>	<u>268</u>	<u>555</u>	<u>662</u>
<b>NON-INTEREST EXPENSE:</b>				
Compensation and benefits	617	615	1,224	1,191
Occupancy and equipment	111	105	213	199
FDIC/SAIF deposit insurance premiums	9	9	17	17
Advertising	49	58	90	97
Data processing services	155	153	315	304
Professional fees	54	47	102	99
Other	111	127	227	251
Loss on disposal of obsolete equipment	<u>-</u>	<u>3</u>	<u>1</u>	<u>5</u>
Total non-interest expense	<u>1,106</u>	<u>1,117</u>	<u>2,189</u>	<u>2,163</u>
Income before income taxes	208	231	551	656
Income tax expense (benefit)	<u>40</u>	<u>156</u>	<u>96</u>	<u>294</u>
Net income	<u>\$ 168</u>	<u>\$ 75</u>	<u>\$ 455</u>	<u>\$ 362</u>

**(UNAUDITED)**  
**CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY**

Consolidated Statements of Stockholders' Equity and Comprehensive Income  
(Dollars in thousands except share and per share data)

	Three Months ended March 31		Six Months ended March 31	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
OTHER COMPREHENSIVE LOSS				
Unrealized gain/loss on securities available-for-sale, net of reclassification adjustment	<u>230</u>	<u>(267)</u>	<u>467</u>	<u>(343)</u>
Comprehensive income	<u>\$ 398</u>	<u>\$ (192)</u>	<u>\$ 922</u>	<u>\$ 19</u>
Net income	<u>168</u>	<u>75</u>	<u>455</u>	<u>362</u>
Net income available to common stockholders	<u>\$ 168</u>	<u>\$ 75</u>	<u>\$ 455</u>	<u>\$ 362</u>
Dividends declared per common share	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.32</u>	<u>\$ 0.31</u>
Basic earnings per share	<u>\$ 0.27</u>	<u>\$ 0.12</u>	<u>\$ 0.73</u>	<u>\$ 0.58</u>
Diluted earnings per share	<u>\$ 0.27</u>	<u>\$ 0.12</u>	<u>\$ 0.73</u>	<u>\$ 0.58</u>

(UNAUDITED)

CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY

Consolidated Statements of Stockholders' Equity  
(Dollars in thousands except share and per share data)

	<u>Common stock</u>	<u>Additional paid-in capital</u>	<u>Retained earnings</u>	<u>Accumulated other comprehensive income (loss)</u>	<u>Treasury stock</u>	<u>Total stockholders' equity</u>
Balance at October 1, 2017	\$ 106	\$ 10,303	\$ 9,330	\$ (102)	(7,074)	12,563
Net income	-	-	761	-	-	761
Unrealized loss on securities available-for-sale, net of reclassification adjustment	-	-	-	(459)	-	(459)
Reclassification of tax effects to retained earnings	-	-	35	(35)	-	-
Treasury Shares Purchased	-	-	-	-	(12)	(12)
Cash dividends declared- common stock	-	-	(194)	-	-	(194)
Balance at September 30, 2018	<b>106</b>	<b>10,303</b>	<b>9,932</b>	<b>(596)</b>	<b>(7,086)</b>	<b>12,659</b>
Net income	-	-	455	-	-	455
Unrealized gain on securities available-for-sale, net of reclassification adjustment	-	-	-	467	-	467
Cash dividends declared- common stock	-	-	(200)	-	-	(200)
Balance at March 31, 2019	<b><u>106</u></b>	<b><u>10,303</u></b>	<b><u>10,187</u></b>	<b><u>(129)</u></b>	<b><u>(7,086)</u></b>	<b><u>13,381</u></b>

(UNAUDITED)

**CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY**

Consolidated Statements of Cash Flows  
(Dollars in Thousands)

Six months ended March 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Net income	\$ 455	\$ 362
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	30	20
Provision for EDP/EPO	-	6
Loans originated for sale	(7,629)	(8,103)
Proceeds from sales of loans held-for-sale	8,226	9,347
Amortization of premiums and discounts on investment securities	(1)	(7)
Deferred income tax (benefit) expense	(9)	(17)
Depreciation	88	80
Mutual fund dividends reinvested	(15)	(4)
Deferred loan origination fees, net	12	(1)
Gain on bank-owned life insurance	(21)	(21)
ALLL Recovery due to sale of repossessed assets	-	(4)
(Gain) Loss on disposal of equipment	-	4
Change in:		
Accrued interest receivable	(1)	(12)
Other assets	241	9
Income taxes payable	(70)	187
Accrued expenses and other liabilities	(125)	(240)
Net cash from operating activities	<u>1,181</u>	<u>1,606</u>
Cash flows from investing activities:		
Purchases of securities available-for-sale	(6,401)	(2,000)
Purchases of FHLB Stock	-	(174)
Proceeds from maturities, calls and prepayments of securities available-for-sale	5,024	2,031
Proceeds from FHLB stock	(11)	89
Proceeds from sale of repossessed/foreclosed assets	-	349
Change in loans receivable	(5,272)	(3,377)
Purchases of premises and equipment	(71)	(253)
Net cash from investing activities	<u>(6,731)</u>	<u>(3,335)</u>

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**CRAZY WOMAN CREEK BANCORP INCORPORATED AND SUBSIDIARY**

Consolidated Statements of Cash Flows  
(Dollars in Thousands)

Six months ended March 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from financing activities:		
Net increase (decrease) in deposits	9,513	(849)
Advances from Federal Home Loan Bank	-	2,000
Repayment of advances from Federal Home Loan Bank	(22)	(21)
Net decrease in advances from borrowers for taxes and insurance	(42)	(43)
Dividends paid to stockholders-common	(200)	(194)
Net cash from financing activities	<u>9,249</u>	<u>893</u>
Net increase (decrease) in cash and cash equivalents	3,699	(836)
Cash and cash equivalents at beginning of year	8,455	6,979
Cash and cash equivalents at end of year	<u>\$ 12,154</u>	<u>\$ 6,143</u>
Cash paid during the year for:		
Interest	\$ 463	\$ 209
Income taxes	\$ 175	\$ 125